

LOWENSTEIN SANDLER PC

Attorneys at Law

DAVID M. WISSERT
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April 20, 1998

VIA CERTIFIED MAIL
(RETURN RECEIPT REQUESTED)

Jeffrey R. Morgan
Litigation Analyst
Environmental Claims Department
Risk Enterprise Management
59 Maiden Lane
New York, NY 10038

Re: Potential Claim for Environmental Damage in the
Coeur d'Alene Basin, Northern Idaho
Insured: Group R Co., Inc.
Claim No.: 087-519989
Policy Nos.: GA 9 25 04 99 (1/1/76-1/1/77)
GA 9 25 82 95 (1/1/76-1/1/77)
HEC 4763461 and/or HEC 4763561 (12/1/7 - 12/1/76)

Dear Mr. Morgan:

As you know, this firm represents Group R Co., Inc. ("Group R"). By letter dated October 31, 1997, we provided Home Insurance Company with notice of Group R's claim in connection with the above-referenced matter under the following Home Insurance Company policies:

HEC 4344274 (1/1/72 - 1/1/75)
HEC 4763007 (9/1/73 - 9/1/76)
HEC 4763461 (12/1/73 - 12/1/76)
HEC 4973371 (1/1/75 - 1/1/78)
GA 996264 (1/1/76 - 9/1/76)

Another copy of our letter of October 31, 1997, is enclosed for your reference.

Our review of Group R's insurance policies has revealed two additional Home Insurance policies that may provide coverage for this matter; those policies bear numbers GA 9 25 04 99 (1/1/76-1/1/77) and GA 9 25 82 95 (1/1/76-1/1/77). Accordingly, please accept this letter as notice of

65 Livingston Avenue

Roseland New Jersey
07068-1791



Telephone 973.597.2500
Fax 973.597.2400

USEPA SF



1238578

www.lowenstein.com

LS 003846

April 20, 1998

Group R's claim under these policies and acknowledge that Home will defend and indemnify Group R with respect to this matter.

In addition, in our October 31st letter, we had provided Home with notice of Group R's claim under policy no. HEC 4763461 (12/1/7 - 12/1/76). Since providing Home with notice under that policy, we have discovered a memorandum of insurance bearing policy no. HEC 4763561 for the same time period. It is not clear from the documents that we have whether these are two separate policies or a typographical error on one of the insurance memoranda. Enclosed are copies of both insurance memoranda that demonstrate the different policy numbers. Because our records do not resolve this discrepancy, to the extent policy no. HEC 4763561 is a separate policy from HEC 4763461, please accept this letter on Group R's behalf as notice of its claim with respect to this matter under policy no. HEC 4763561 and acknowledge that Home will defend and indemnify Group R under this policy.

Should you have any questions, please do not hesitate to contact me or Michael David Lichtenstein of this office.

Very truly yours,


David M. Wissert

M2377/59
04/20/980510551.01

Enclosures

cc: William T. Sweeney (The Marmon Group, Inc.) (w/o encls.)
Michael L. Rodburg, Esq. (w/o encls.)
Michael David Lichtenstein, Esq. (w/o encls.)



LS 003847

April 20, 1998

bcc: Robert W. Webb, Esq. (w/o encls.)
Michael Dore, Esq. (w/o encls.)
Robert D. Chesler, Esq. (w/o encls.)



LS 003848

GRP "B" 01

LOWENSTEIN, SANDLER, KOHL, FISHER & BOYLAN

A PROFESSIONAL CORPORATION

COUNSELLORS AT LAW
65 LIVINGSTON AVENUE
ROSELAND, NEW JERSEY

07068-1791

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TELEPHONE (908) 526-3300

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*PA BAR ONLY
**NY BAR ONLY

OF COUNSEL

LINDA PICKERING
ROBERT L. KRAKOWER
NORMAN W. SPINDEL

STUART S. YUSEM
HARVEY SMITH
DAVID E. ALPERT

October 31, 1997

VIA CERTIFIED MAIL
(RETURN RECEIPT REQUESTED)

The Home Insurance Company
59 Maiden Lane
New York, NY 10038

Re: Potential Claim for Environmental Damage in the
Coeur d'Alene Basin, Northern Idaho
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Policy No.: HEC 4344274 (1/1/72-1/1/75)
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HEC 4763461 (12/1/73 - 12/1/76)
HEC 4973371 (1/1/75 - 1/1/78)
GA 996264 (1/1/76 - 9/1/76)

Dear Sir or Madam:

We write on behalf of Group R Co., Inc. ("Group R"). Group R is the successor by merger to the Golconda Corporation (formerly known as the Golconda Lead Mines, Inc. (from 1927-1962) and the Golconda Mining Corporation (from 1962-1970)) and was formally known as the RegO Company (from 1977-1978) ("RegO") and RegO Group, Inc. (from 1978-1992) ("RegO Group"). From 1974 through 1976, Cerro Corporation ("Cerro") owned approximately 85% of the shares in Golconda Corporation. In 1976, Cerro was merged into the Cerro-Marmon Corporation ("Cerro-Marmon") and Cerro-Marmon continued to hold an 85% interest in Golconda. In 1977, Cerro-Marmon changed its name to The Marmon Group, Inc. ("Marmon Group") and continued to own 85% of Golconda/RegO/RegO Group until 1985, when Marmon Group purchased the outstanding 15% of stock in RegO Group and became the owner of 100% of the stock.

M2377/59
10/31/970443049.01

LS 003849

GRP "R" CDA dm - 0297


October 31, 1997

On or about August 29, 1997, the United States Department of Justice and the Coeur d'Alene Tribe filed motions in the United States District Court for the District of Idaho seeking leave to amend their complaints to add Group R as a defendant and seeking contribution pursuant to CERCLA toward the cleanup costs of the Coeur d'Alene mining district in Northern Idaho as well as Natural Resource Damages. A copy of those motions are attached for your information.

Your company provided insurance coverage to either Golconda Corporation, Cerro, Cerro-Marmon, the Marmon Group, Marmon Holdings, Inc., the Pritzker Interests (including all divisions, subsidiaries and affiliates thereof) and/or Group R which obligates it to both defend and indemnify Group R against this claim. Kindly acknowledge your receipt of this notice and your acknowledgment of your defense and indemnity obligations by sending a written letter to Michael David Lichtenstein, Esq., Lowenstein, Sandler, Kohl, Fisher & Boylan, 65 Livingston Avenue, Roseland, New Jersey 07068.

Should you have any questions please do not hesitate to contact the undersigned.

Very truly yours,



Michael David Lichtenstein

MDL/nap
Enclosure

cc: Michael L. Rodburg, Esq.
William T. Sweeney (The Marmon Group, Inc.)

LS 003850

The HOME Insurance Company

New York, N.Y.



This is to certify that the following described insurance is in force at this date.

NAME OF INSURED		
Golconda Corporation		
ADDRESS OF INSURED		
4201 West Peterson Avenue, Chicago, Illinois		
POLICY NUMBER	CERTIFICATE NO.	POLICY PERIOD
HEC 4763561		FROM 12-1-73 TO 12-1-76

DESCRIPTION OF COVERAGELIMITS

Umbrella Liability

\$10,000,000. Any one occurrence excess of primary insurer

This document is furnished to you as a matter of information only. The issuance of this document does not make the person or organization to whom it is issued an additional insured, nor does it modify in any manner the contracts of insurance between the Insured and the Company. Any amendment, change or extension of such contracts can only be effected by specific endorsement attached thereto.

Should the above mentioned contracts of insurance be cancelled, assigned or changed during the above named policy period in such manner as to affect this document, we, the undersigned, will endeavor to give notice to the holder of this document, but failure to give such notice shall impose no obligation of any kind upon the undersigned or upon the Company.

ISSUED TO

B. B. Cohen & Company, Attn. Mr. J. Hajduk, Insurance Department

ADDRESS

10 South LaSalle Street, Chicago, Illinois

DATED: February 27, 1975

THE HOME INSURANCE COMPANY
BY: Raymond J. Kenney

HEC 476346

STOCK COMPANY

The HOME Insurance Company
New York, N.Y.

CHICAGO OFFICE, ILLINOIS

ITEM 1. Insured's Name and Mailing Address

Producer

Golconda Corporation
4201 W. Peterson Avenue
Chicago, Illinois 60646

Rollins Burdick Hunter Company
10 S. Riverside Plaza
Chicago, Illinois

12/1/73
Inception (Mo. Day Yr.)

12/1/76
Expiration (Mo. Day Yr.)

3
Years

05675
Producer No.

311
OPC
eg 2/4/74

Illinois
State Loc.

FROM: December 1, 1973

TO: December 1, 1976

Standard Time at the address of the Named Insured as stated herein

ITEM 2. LIMITS OF LIABILITY (As Per Insuring Agreement No. 2)

LIMIT IN ALL IN RESPECT OF EACH OCCURRENCE

\$ 10,000,000.

LIMIT IN THE AGGREGATE FOR EACH ANNUAL PERIOD WHERE APPLICABLE

\$ 10,000,000.

ITEM 3.

PREMIUMS

THE PREMIUM IS BASED UPON

Annual minimum & deposit premium of \$7,000.00
adjustable at a rate of .14 per \$1,000 of
sales

MINIMUM PREMIUM

\$ 7,000.00

ADVANCED PREMIUM

\$ 7,000.00

DURING THE POLICY PERIOD

PREMIUM IF PAID IN INSTALLMENTS

EFFECTIVE DATE	1st ANNIVERSARY	2nd ANNIVERSARY	TOTAL PREMIUM	
7,000.00	7,000.00	7,000.00	→	\$ 21,000.00

In Witness Whereof, the said THE HOME INSURANCE COMPANY, NEW YORK has caused these Presents to be signed by its President and attested by its Secretary, in the City of New York, and this policy is made and accepted upon the above express conditions, but shall not be valid unless countersigned by a duly Authorized Representative of the Company at place of issue.

Joseph F. Quinn
Secretary

R. H. Tullis, Jr.
President

COUNTERSIGNED BY AUTHORIZED REPRESENTATIVE

DATE

H20254 F 2/68
Printed in U.S.A.

2/7/74

LS 003852

GRP "R" CDA dm - 0300